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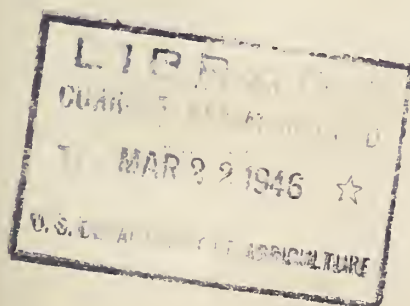
Foreign Crops and MARKETS



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L A T E N E W S

The Food and Agriculture Organization's Director General Sir John Orr has called a meeting of the organization's 15-member executive committee in Atlantic City, March 19-23. On the discussion list will be the problem of the world's scanty food supply and the progress being made on the "world balance sheet" of major commodities being prepared by FAO; the future relationship of FAO with the United Nations Organization; and organizational problems of FAO. At the same time, UNRRA will hold the Fourth Session of its Council in Atlantic City, opening March 15 and continuing for about 2 weeks. Among urgent matters to be considered by representatives of the nations in attendance at the UNRRA meeting will be the world-wide food shortage.

The Soviet Union has approved a plan to increase Soviet crop acreage for 1946 by 20 million acres, with collective farms accounting for 13.6 million acres of this figure.

Cuba's sugar grinding season is reported in full swing, with 151 of the Island's 161 mills now grinding. Over 1 million tons of sugar, nearly one-fourth of the crop, have already been produced. Sugar shipments to the United States are taking place at a rapid rate, despite the fact that negotiations for the sale of the 1946 crop to the Commodity Credit Corporation have not yet been concluded. The 1946 crop is estimated at 4.8 million short tons of raw sugar.

Signature of a French-Norwegian commercial agreement was expected March 2. Under this agreement, Norway would export such commodities as fish, fish oil, and fertilizers. In turn France would ship mechanical and industrial products and wines and brandies.

Guatemala has relaxed export restrictions on beef cattle as of February 5. Issuance of export licenses for fat cattle is now permitted whenever such exports do not adversely affect beef supplies available for use within the country.

WORLD OATS CROP INCREASED IN 1945

The world oats crop in 1945 is now estimated at about 4,240 million bushels. The crop, though about 5 percent larger than in 1944 and the largest since 1942, was still slightly below average. In 1945 the position of oats was unique, in that it was the only one of the grains that showed an increase over the 1944 harvest. This rise was attributed almost entirely to the large increase in the United States, most other important producing areas showing declines. In both Canada and Argentina the 1945 crop was about 25 percent less than in 1944.

Under normal conditions oats do not enter into world trade to the extent of other grains. With the present world grain shortage and the small 1945 crop in Europe, however, some increase in the export movement is indicated for the current season. The United States, Canada, and Argentina are the principal countries having any surplus. Some exports are being made from the United States. Canada has been the chief exporter of oats in recent years, but the movement is expected to be very limited this season, following the sharply reduced 1945 crop. Some surplus is also reported available in Argentina, despite the smaller crop this year.

Larger world oats production in 1945 was attributed principally to increased acreage, though average yields were also slightly larger than in 1944. The United States is the most important producing area, and with the record crop there last year, the output was considerably larger than the entire European crop and accounted for more than 35 percent of the estimated world total. The Canadian outturn was considerably smaller than the high production of 1944, though the harvest was larger than the prewar average.

Changes in 1945 figures since the publication of totals in November have reduced the estimated world crop by about 60 million bushels. In North America the principal change resulted from lowered figures. A new estimate in December placed the United States crop about 36 million bushels below the previous estimate. The Canadian production estimate was increased by about 4 million bushels, bringing the net reduction for North America down slightly. For Argentina the second estimate made a reduction of about 20 million bushels in that crop. Changes in the European area made a net reduction of about 10 million bushels from the previous estimate. Since official estimates for some countries in that area appear to be too low, office estimates have been substituted in certain cases. In addition, some allowance has been made in the European total to compensate for other underestimations.

Production in Europe was moderately below the small 1944 crop, but was only about 75 percent of the 1935-1939 average. Output was below average in most European countries, though an outstanding exception may

OATS: Acreage, yield per acre, and production in specified countries,

average 1935-1939, annual 1943-1945 a/

Continent and country	Acreage b/			Yield :			Production		
	per acre:			:			:		
	Average:	1943	1944	1945	Average:	1935-	1943	1944	1945
	1935-			pre-	1935-	1939			pre-
	1939			liminary	1939				liminary
North America:	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
United States	35,761	38,395	38,735	41,503	29.2	1,045,329	1,137,504	1,154,666	1,547,663
Canada	13,246	15,407	14,715	14,393	c/25.5	c/ 338,071	c/ 482,022	c/ 499,643	c/ 381,596
Mexico	29	97	91	86	16.0	465	1,722	1,784	1,929
Estimated total	49,040	53,900	53,150	56,000	-	1,383,880	1,621,700	1,656,200	1,931,700
Europe:	2,430	3,680	3,654	3,771	57.0	138,628	214,480	206,710	223,790
United Kingdom	571	936	945	823	68.8	39,265	55,707	54,587	(55,000)
Spain	d/1,543	1,858	1,850	1,730	d/23.8	d/ 36,802	34,998	40,387	(20,700)
Portugal	607	679	-	667	10.8	6,555	4,684	-	4,134
Switzerland	27	94	102	-	59.0	1,593	6,448	6,566	-
Italy	1,068	1,142	1,053	1,080	36.0	38,480	40,361	29,211	17,499
Germany	6,885	6,274	6,027	-	58.9	405,335	371,682	291,214	-
Austria	710	546	526	-	41.2	29,227	21,977	18,050	-
Czechoslovakia	1,902	-	-	-	45.5	86,715	-	-	-
Poland	5,624	-	-	-	32.1	180,741	-	-	-
France	8,089	e/5,967	e/5,535	(6,150)	40.7	329,299	e/ 204,614	e/ 177,746	(172,000)
Belgium	548	308	315	417	74.7	40,946	21,719	21,015	25,450
Luxembourg	65	51	52	51	44.8	2,910	2,468	2,572	2,142
Netherlands	357	282	304	358	71.5	25,510	17,401	16,534	15,781
Denmark	929	831	816	827	75.3	69,970	71,381	67,447	68,205
Norway	212	(227)	(220)	211	61.0	12,940	(10,400)	(8,100)	11,533
Sweden	1,641	1,420	1,373	1,362	53.1	87,198	58,581	50,295	54,309
Finland f/	1,142	779	773	739	43.7	49,917	29,180	23,655	23,068
Bulgaria g/	313	414	362	-	25.4	7,966	10,416	6,272	3,663
Hungary	558	-	523	501	35.9	20,042	-	20,668	10,334
Yugoslavia	888	-	-	(1,077)	24.5	21,787	-	-	(23,079)
Rumania	1,792	-	-	-	22.3	40,009	-	-	-
Greece	346	-	-	(297)	24.5	8,479	-	-	(4,500)
Lithuania	881	-	-	-	40.5	26,845	-	-	-
Latvia	857	-	-	-	32.3	27,651	-	-	-
Estonia	353	-	-	-	27.8	9,829	-	-	-
Estimated total	40,370	37,770	35,650	35,200	-	1,745,300	1,551,000	1,375,000	1,290,000

be noted in the outturns of the United Kingdom and Eire. Both countries made substantial increases in their oat acreage during the war years, when they did not have free access to their usual sources of imports. The decline in oats production, however, appears to have been much more moderate than the reduction in breadgrain crops. The acreage might have been further reduced, especially in western and northern Europe, had there not been increased seeding of spring grains on land that would have gone under bread grains if seeding conditions had been favorable in the fall of 1944.

Declines in eastern Europe were attributed in large part to land reforms hurriedly carried out, population shifts, and requisitioning of draft power. European totals have been estimated on the basis of 1937 boundaries in order to make them comparable with earlier years. Considering changed boundaries, the European totals would be reduced and the estimate for the Soviet Union increased by the amount of the production in Bessarabia, northern Bukovina, Ruthenia, eastern Poland, the Baltic States, and parts of Finland. Estimates place the prewar oats production in those areas at about 125 million bushels.

Some increase was indicated in the 1945 production of oats within the prewar boundaries of the Soviet Union, compared with the 2 preceding years. The harvest, however, was estimated to be somewhat below the 1935-1939 average. The larger outturn is attributed to increased acreage, with average yields per acre slightly less than in 1944.

Production of oats in Argentina is estimated at about 55 million bushels, or slightly above average. Adding to the exportable surplus available from that crop, there is estimated to have been a moderate carry-over from the large crop in 1944. Exports of oats from Argentina during 1933-1937 averaged 25 million bushels. The Australian oats harvest, estimated at about 24 million bushels, was back to normal after the small 1944 harvest.

This is one of a series of regularly scheduled reports on world agricultural prospects approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report the Committee was composed of Joseph A. Becker, chairman, Gordon P. Boals, Judith E. Downey, Lois B. Bacon, J. A. Hopkins, Montell E. Ogdon, and Robert J. Manovill.

COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS 1/

BRAZIL'S RICE CROP PROSPECTS BRIGHT

A record rice crop is expected this year in Rio Grande do Sul and in Sao Paulo, two principal rice-producing States in Brazil. Acreage was 1/ This section is continued on page 157.

increased in these States, and weather so far has favored good yields. The harvest begins in March and continues into May. If the output is as large as anticipated, the Sao Paulo crop may provide part of the domestic requirements in central Brazil, leaving more surplus in Rio Grande do Sul available for export. The Brazilian exportable surplus in 1946, therefore, may exceed the record exports of 330 million pounds in 1944. Rio Grande do Sul normally accounts for 85 to 95 percent of total Brazilian rice exports.

SMALLER RICE ACREAGE FORECAST FOR INDIA

In the all-India second rice acreage forecast, the 1945-46 area was estimated at 77,156,000 acres, against 77,403,000 acres revised in the corresponding period of 1944-45, based on conditions beginning in December 1945. Although this acreage is slightly less than the 1944-45 corresponding area, it is about 8 million acres larger than the average (1937-38 to 1941-42) prewar corresponding rice area for India.

FATS AND OILS

BRAZIL CASTOR-BEAN OUTLOOK ENCOURAGING

Brazilian castor-bean production in 1946 is expected to be larger than in recent years, and exports are likely to compare favorably with the 1941-1944 average when shipments amounted to 176,000 short tons. Present prices are encouraging producers to increase their plantings in the areas where castor beans are cultivated, and dealers will undoubtedly promote collection from wild plants.

A preliminary estimate for 1945 places production at 182,000 tons, an increase of 7 percent over the 1944 outturn. Inadequate transportation from the interior, especially in Bahia and Ceara, was responsible for reduced exports in 1945. At the end of the year, large quantities of castor beans had been collected and were awaiting shipment to ports.

BRAZIL: Castor-bean production and exports, 1945 with comparisons

Year	Production		Exports	
	of beans		Beans	Oils
	Short tons		Short tons	Short tons
Average				
1931-1935	99,564		40,026	0
1936-1940	a/ 157,727		130,207	558
1941	a/ 190,710		244,504	4,967
1942	a/ 142,525		128,503	2,852
1943	a/ 155,823		171,612	13,921
1944	a/ 170,018		160,358	8,726
1945	b/ 182,000	c/	119,339	c/ 3,806

Compiled from official and trade sources.

a/ Revised. b/ Preliminary. c/ January-August.

During the past decade the United States has been the principal market for Brazilian castor beans, although Belgium, France, Germany, the Netherlands, Italy, and Japan made substantial purchases before this country entered the war. Exports of castor oil were insignificant until 1943, when approximately 14,000 tons were shipped to the United States.

CUBAN MARGARINE PRODUCTION RISES

On account of Cuba's shortage of butter, lard, and olive oil, the preferred household fats and oils, domestic output of margarine has been restored to a comparatively high-production level. Estimates indicate that about 1 million pounds of margarine were made in Cuba during 1945, or almost equal to one-third of the Cuban butter production in that year. The Cuban margarine industry was started in the 1920's, but dropped to a negligible output during the late 1930's, owing to a butter surplus and a high duty on imported margarine and vegetable oils.

With the critical shortage of fats and oils, which developed almost a year ago in Cuba and in most other countries, margarine makers have been forced to use substitutes. When available Cuban margarine manufacturers prefer to use coconut oil. Small quantities of domestically hydrogenated peanut, cottonseed, and soybean oil also go into margarine production. Because of the scarcity of vegetable fats and oils, there is a wide variation in the quality of margarine production.

Cuban margarine imports have averaged less than 1 ton for every year since 1930. In view of the present increased demand, owing to an inadequate supply of edible fats and oils, between 7 and 9 million pounds of margarine could be sold in Cuba during 1946, according to estimates. The continued Cuban market for margarine will depend upon the price and quantity of butter available.

Most margarine in Cuba is used as a butter substitute. Restaurants are reported to be largest purchasers of margarine, and stores in rural areas, where refrigeration is seldom available, are heavy buyers.

CUBA: Price estimates of margarine and competitive products, 1945 with comparisons

Year	Margarine				Peanut oil	Lard
	First	Second	Imported	Butter		
	quality	quality				
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Average -						
1937-1941	20	15	20	35	21	16
1942	40	22	23	47	32	26
1943	45	30	27	54	34	26
1944	50	35	a/	56	35	25
1945	60	40	a/	71	38	26
Trade and official sources.						
				a/ None imported.		

UCUUBA NUT SOURCE FOR VEGETABLE WAX

In view of the world shortage of waxes, the fats and oils industry has been investigating the possibility of utilizing wax from the nut of the Ucuuba tree, found in the Amazon Basin of Brazil. The principal use for this wax is as an adulterant in the manufacture of low-grade soaps. Experiments are reported to be underway that might provide a method for removing the resinous content of the wax, thereby permitting its use in the manufacture of such products as cosmetics and candles.

Ucuuba wax extracted from the 1945 nut harvest is estimated at 825 short tons. Most of the wax is consumed in Sao Paulo, although a new soap factory in Recife may use this product. Wax exports, which amounted to slightly over 1,000 short tons in 1941 and fell to about 250 tons in 1945, went principally to the United States. During some years the United States was the exclusive purchaser. No Ucuuba nuts are reported to be exported.

BRAZIL: Estimated production of Ucuuba nuts and wax in the State of Para, 1945 with comparisons.

	1942	1943	1944	1945
	Short tons	Short tons	Short tons	Short tons
Nuts	2,035	2,090	4,610	1,650
Wax	715	675	955	825

Official sources.

TOBACCO

CUBA'S 1945-46 TOBACCO OUTTURN UP SHARPLY

Cuba's 1945-46 tobacco crop will be about 30 percent larger than the 64.6 million pounds harvested in 1944-45, according to a report from the American Embassy at Havana. Although 156,000 acres were planted to tobacco during 1944-45, compared with 125,000 the previous year, severe drought conditions reduced yields, and the outturn was actually smaller than the 65.7 million pounds produced in 1943-44. No acreage data for 1945-46 have been released as yet by the Tobacco Commission, but unofficial forecasts, based on favorable weather conditions, point to a substantial increase in this year's production.

During 1945, demands for Cuban tobacco continued heavy, both for export and for domestic consumption. Exports of unmanufactured tobacco in 1945 amounted to 30 million pounds valued at a record \$37,667,000, of which 24.9 million pounds, or about 83 percent, were destined to the United States. Other principal destinations were Spain, Canada, the Canary Islands, and Argentina. In 1944, exports of unmanufactured tobacco amounted to 32.4 million pounds valued at \$33,743,000. A

considerable price increase in 1945 resulted in a sharp rise in export valuation. During the period 1934-1938, exports of leaf averaged 27.3 million pounds annually.

Cuba exported 110 million cigars in 1945, valued at \$12,529,000, compared with 181.3 million cigars valued at \$17,827,000 in 1944. The United States purchased 61.6 million cigars in 1945. Spain, which has become Cuba's second most important tobacco purchaser, took 36.5 million. Exports of cigarettes in 1945, chiefly destined to Panama and Peru, totaled 34.1 million pieces, or about 7 percent below 1944 shipments. Exports of smoking tobacco in both 1944 and 1945 were insignificant.

COTTON AND OTHER FIBERS

WEEKLY COTTON PRICES ON FOREIGN MARKETS

COTTON: Prices of certain foreign growths
and qualities in specified markets

Market location kind, and quality	Date: 1946	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound
Alexandria (spot)	:	Kantar	:	:	:
Ashmouni, F.G.F.	3-7:	99.05 lbs.	:Tallari	32.00	26.72
Ashmouni, Good	3-7:	99.05 lbs.	:Tallari	34.00	28.39
Karnak, Good	3-7:	99.05 lbs.	:Tallari	39.00	32.56
Bombay (March futures)	:	Candy	:	:	:
Jarila	3-8:	784 lbs.	:Rupee	469.75	18.05
Bombay (spot)	:	Candy	:	:	:
Kampala, East African ...	3-8:	784 lbs.	:Rupee	850.00	32.66
Buenos Aires (spot)	:	Metric ton	:	:	:
Type B	3-9:	2204.6 lbs.	:Peso	1420.00	19.18
Lima (spot)	:	Sp. quintal	:	:	:
Tanguis, Type 5	3-9:	101.4 lbs.	:Sol	110.00	16.69
Recife (spot)	:	Arroba	:	:	:
Mata, Type 5	3-8:	33.07 lbs.	:Cruzeiro	80.00	13.17
Sertao, Type 5	3-8:	33.07 lbs.	:Cruzeiro	82.00	13.50
Sao Paulo (spot)	:	Arroba	:	:	:
Sao Paulo, Type 5	3-8:	33.07 lbs.	:Cruzeiro	111.50	18.36
Torreon (spot)	:	Sp. quintal	:	:	:
Middling, 15/16"	3-9:	101.4 lbs.	:Peso	98.25	19.94
	:	:	:	:	:

Compiled from weekly cables from representatives abroad.

NORTHERN IRELAND'S FLAX OUTPUT DROPS

Barely more than 80,000 acres were planted to flax in Northern Ireland in 1945, compared with 124,500 acres in 1944, and further reduction is expected in 1946. Patriotic effort during the war, together

with prices guaranteed at a relatively high level, was instrumental in realizing the wartime program of increased production, but the offering of lower prices for the 1945 and 1946 crops has removed considerable incentive and caused sharp reduction in acreage.

Before the war the flax consumed by the mills of Northern Ireland consisted of about 10-percent home-grown and 90-percent imported fiber. Approximately half of the imported flax was from the Soviet Union and most of the rest from the Low Countries and Baltic States. With the outbreak of war these imports were soon cut off from the United Kingdom, making it necessary to rely on domestic production for raw material.

Flax production from the 1939 crop in Northern Ireland slightly exceeded 10 million pounds of scutched fiber from a little more than 21,000 acres, or about equal to the 5-year (1934-1938) average acreage and output. Both acreage and production were approximately doubled in 1940, but average yield dropped from about 473 pounds in 1939 to about 420 pounds in 1940. Acreage was again almost doubled in the following year but, again at the expense of a decrease in average yield, dropped to only 350 pounds. Cultivation by farmers unexperienced with the crop and also the inclusion of land less suited to flax were believed to be the chief causes of lower yields during the period of expansion.

Although a decline in acreage was reported in 1942, the next 2 years showed increases first to 93,400 acres, then to 124,500 acres. Fiber production was about 39 million in 1943 and 43 million pounds in 1944, with average yield per acre in 1944 of about 346 pounds.

UNITED KINGDOM: Flax acreage planted in Northern Ireland, England, and Scotland, 1940 through 1945

Year	Northern Ireland	England	Scotland	Total
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
1940	46	16	3	65
1941	90	32	6	128
1942	73	39	7	119
1943	93	44	8	145
1944	124	51	9	184
1945 a/	80	38	7	125

Compiled from official sources

a/ Preliminary.

The price for flax grown in Northern Ireland during the 10 years before the war averaged a little more than 9 shillings per stone of 14 pounds (slightly over 13 cents a pound). Prices were fixed in 1939 by the British Ministry of Supply in association with the Ulster Minister of Agriculture at the equivalent of from about 14 to 24 cents per pound, according to quality. The price was increased each year until a range of

38 to 45 cents per pound was reached in 1942. A bonus of £10 (about \$40.35) per acre was offered in 1943, and the level of fiber prices was lowered more than a cent on each grade in 1943, but was increased slightly again in 1944.

The bounty payment was decreased one-half in 1945 and discontinued entirely in 1946, although the fiber price remained about constant during 1945 and was reduced the following year to an average of about 36 cents, or scarcely more than was offered for the 1941 crop. This lowered price-incentive has resulted in a decrease in acreages planted, and some farmers have even discontinued flax cultivation.

The following table shows the equivalent in United States currency of the average price per pound paid for flax fiber grown in Northern Ireland during the war years, compared with the average prewar price. A comparison of acreages, as shown in the first table, with these prices shows the close relationship between them.

NORTHERN IRELAND: Prices of flax during the war years, compared with the prewar average

: Price : Bonus :				: Price : Bonus :			
Year	: for fiber: per acre:			Year	: for fiber: per acre		
: Cents per:				: Cents per:			
: <u>pound</u> : <u>Dollars</u> :				: <u>pound</u> : <u>Dollar</u> :			
Average -	:	:	:	:	:	:	:
1930-1939	13.1	:	0	1943	40.3	:	40.35
1940	32.1	:	0	1944	40.5	:	40.35
1941	35.8	:	0	1945	40.4	:	20.18
1942	41.4	:	0	1946	36.0	:	0
:				:			

Compiled from official records.

Flax acreage in England and Scotland also reached the greatest expansion in 1944. During the war years the area was increased from less than 19,000 acres to more than 60,000 acres. The 1945 acreage was about 25 percent less than was planted in 1944. A further decline is expected in England in 1946, and no more than a negligible acreage is anticipated in Scotland with the closing down of Scottish plants.

FRUITS, VEGETABLES, AND NUTS

WALNUT CROP BELOW AVERAGE IN MEDITERRANEAN COUNTRIES ^{1/}

The preliminary estimate for 1945 commercial walnut production in the seven leading exporting countries of the Mediterranean Basin is 618,000 bags of 110 pounds, unshelled basis. This is 66 percent of the 1944 crop of 935,000 bags and 84 percent of the 1943 crop of 738,000 bags. It is only 53 percent of the 5-year (1939-1943) average of 1,158,000 bags and 42 percent of the 10-year (1934-1943) average of 1,455,000 bags. Countries included in these estimates are Bulgaria, France, Hungary, Italy, Rumania, Turkey, and Yugoslavia.

^{1/} A more extensive statement on this subject is available upon request to the Division of Foreign Information and Statistics, Office of Foreign Agricultural Relations.

During the 5 prewar years (1935-1939), output in these countries averaged 1,661,600 bags. For the last 15 crop years, the largest production of 1,996,000 bags was in 1931 and the smallest in 1945. These data represent only the surplus which is normally exported and not total walnut production. Figures are comparable with those used by this Office in prewar years.

WALNUTS: Estimated production for export in principal producing countries, 1945 with comparisons
(Bags of 110 pounds, unshelled basis)

Year	Average		1942	1943	1944 a/	1945 a/
	1939-1943	1934-1943				
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bags</u>	<u>bags</u>	<u>bags</u>	<u>bags</u>	<u>bags</u>	<u>bags</u>
Bulgaria	93.6	88.8	90.0	75.0	80.0	40.0
France	472.6	609.8	438.0	235.0	400.0	220.0
Hungary	48.0	47.3	50.0	40.0	35.0	20.0
Italy	219.0	272.0	272.0	198.0	250.0	185.0
Rumania	106.0	180.0	80.0	60.0	30.0	25.0
Turkey	154.0	155.0	160.0	100.0	100.0	36.0
Yugoslavia ..	65.2	102.1	40.0	30.0	40.0	92.0
Mediterranean Basin	1,158.4	1,455.0	1,130.0	738.0	935.0	618.0

Compiled from trade and official sources.

a/ Preliminary estimate.

In practically every country the growing season was unsatisfactory owing to late frosts and the severe drought of July and August. However, Yugoslavia, the only country with a larger output than in 1944, had its best crop since 1939. The effect of war damage and neglect is apparent in all countries involved in the war. In Turkey growers have neglected trees to some extent because of the lack of export demand.

According to preliminary information, actual loss of trees in the seven countries varies from only normal mortality in some countries to as high as 20 percent of the 1939 acreages in Bulgaria and Rumania. In some countries a small amount of walnut acreage, which was mined by the various armies, will be out of production until such hazards are removed.

Planting of new trees to replace the old or to expand acreages as a whole was less than the number required to maintain trees at the 1939 level. In some countries such as Bulgaria, France, and Rumania, heavy new plantings during the late 1930's are now reaching full or heavier bearing so that production may rise to prewar levels within a relatively few years. In most countries, especially in Yugoslavia, old trees which had low yields or were undesirable for other reasons, were removed for the most part. This can be expected to increase the average yield per tree and minimize the loss in production.

At present, the export outlook for the remainder of this season and perhaps for the next two or three seasons is rather dull, owing to a number of factors. During the war years, export channels were almost completely disorganized, and in some cases trade members were war casualties. Those surviving, however, are gradually attempting to rebuild their business, but export outlets have for the most part not yet been reestablished.

Germany, Poland, and other Central European countries, the largest prewar markets for Balkan and Turkish walnuts, are not expected to take exports in volume until economic stability has again been established. Inflation in varying degrees prevails in all producing countries as well as in importing countries. Both internal and external transportation, which is badly disorganized now, will take some years to return to normal.

In view of the serious food shortages in most of continental Europe, there is a strong tendency for walnut producing countries to sell their nuts within the country or even within the growing areas. Farm consumption is far above normal prewar levels and black market activities are of large proportion in most countries involved. The shortage of edible oils in the entire Mediterranean Basin has resulted in walnuts being crushed for oil, as is the case in France, thereby utilizing large quantities of nuts formerly available for export.

The longer term export outlook appears somewhat more promising than the short term. Although it is still too early to forecast the type of economic and political structure that these seven countries will finally adopt or the effect of such changes on the walnut industry, certain factors can be evaluated now on the basis of available information. Productive capacity in France and Italy, the major producing countries, is not expected to show much change; however, in the Balkan countries prewar or better output can be anticipated in another 5 years. The Turkish industry may revive in even a shorter period. Consequently, it is possible that Mediterranean Basin output may approach prewar levels within 5 years, provided foreign demand becomes more active and prices are satisfactory.

Even though there have been no reliable reports on the North China walnut industry for a decade, available information indicates that the Japanese did not destroy the industry and that "feelers" are now being sent out to determine whether or not business can be reestablished.

The Indian walnut deal continues as before the war, but estimates of production have not been available. In recent months a series of talks between Canada and India were reported as having taken place for the purpose of increasing trade between the two countries. India is said to have offered walnuts to Canada as one of the items which could be supplied in larger volume.

Prepared by Walter R. Schreiber

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BLUEBERRY CROP UP IN NEWFOUNDLAND

Newfoundland's 1945 harvest of blueberries for export is placed at 1,350,000 pounds, nearly twice as much as the estimated production of 750,000 pounds in 1944. There is no cultivated crop of blueberries in Newfoundland, but the fruit grows wild in barren areas or burnt-over forest lands. Production varies with weather and supply of labor, the latter being the most important factor. The entire crop, except the amount consumed locally, is exported in frozen form to the United States where berries are used mostly by pie bakers. Barring extreme weather conditions and an unfavorable labor situation, the 1946 season is expected to be as good as in 1945. Stocks on hand as of February 1 are estimated at 100,000 pounds.

BLUEBERRIES: Production and trade in Canada, 1945 with comparisons

Year	Production <u>a/</u> 1,000 pounds	Exports 1,000 pounds
1942	1,350	1,510
1943	900	864
1944	750	300
1945	1,350	1,894

Official sources.

a/ "Pickings" delivered to exporters.

CHILEAN ONION OUTPUT SMALLER

Chilean onion production for the 1945-46 season is now indicated at 1,083,000 bags of 100 pounds, smaller than an earlier estimate of 1,764,000, and a little less than the 1,102,000 bags in the previous year. The current sharp decrease is attributed largely to severe damage by thrips during the past 2 months and to a lower-planted acreage than was anticipated earlier in the season.

GRAINS, GRAIN PRODUCTS, AND FEEDS (con't)

SOUTHEASTERN RUSSIA'S GRAIN CONDITION GOOD

Good yields of winter grains are expected this season in the southeastern area of European Russia, on the basis of midwinter reports. The good prospects are the result of exceptionally favorable weather conditions extending from fall through early winter months.

Fall grains germinated earlier than usual, and unless winterkill should be heavy, outturns are expected to be high. Much of this area is in the semi-arid zone where winter grains constitute an important insurance against the failure of spring grain, especially wheat.

After severe autumn drought for the three preceding seasons, rainfall during the summer and fall of 1945 was well above average in all but a few scattered districts of Stalingrad Province. The soil was in good condition for seeding following adequate summer rains, and ample fall rainfall provided favorable growing conditions. (Rainfall from September to December ranged from 120 to 180 percent of the long-time average.) In Saratov Province the soil under winter grains seeded on early plowed fallow was completely saturated down to root level, according to official observations made in the fall period. Moisture conditions of seedings on late plowed fallow were less favorable.

The temperature, as well as moisture conditions, was favorable for crop development. At the end of fall germination, 72 percent of the winter crop was in good condition, 22 percent was satisfactory, 4 percent was poor, and 2 percent had failed to germinate, according to an official survey made by the Saratov Provincial Agricultural Bureau. Poor condition in the unsatisfactory parts were attributed to excessively late seeding.

The promising condition of seedings as they entered the winter, raised hopes of high yields, if the crops wintered well. Past experience shows that, with adequate supplies of moisture and satisfactory development in the fall, winter grains should yield certainly not less than 7 to 9 bushels per acre even under the most unfavorable spring and summer weather. Under favorable conditions, on the other hand, yields should be considerably higher than that.

In past years good yields of winter grain could be expected only for sowings on early plowed fallow fields. During the current season, however, winter-grain crops which were sown during an optimum period were well developed at the beginning of winter even when seeding had been on late plowed fallow or on land following other crops.

LIVESTOCK AND ANIMAL PRODUCTS

DANISH SOW NUMBERS SHOW SLIGHT DROP

Although most of the gain in Danish sow numbers since mid-1945 has been held, returns from the February hog census indicates a slight decline from 6 weeks earlier. In February sows totaled 193,000 head, compared with 200,000 in December, 201,000 in July, and 161,000 in the same month last year. The number of sows bred follows about the same pattern.

The number of pigs and slaughter hogs were higher in February than for several months, reflecting heavier farrowings in early fall. Total hogs in February were reported at 1,749,000 head, slightly less than numbers last fall, but 57,000 head more than reported in February 1945.

WORLD TRENDS IN DAIRY PRODUCTS
FOURTH QUARTER 1945 SUMMARY

Further declines in the output of manufactured dairy products in most important producing countries were experienced in the final months of 1945, and fourth quarter production was well below that for the same period last year. Quantities of milk moving into fluid consumption continued high, with that available for manufacture correspondingly reduced. The principal exceptions to the trend were the production increases over a year ago of butter in Denmark and Switzerland, and of cheese in Argentina.

Supplies of dairy products in all producing countries are in strong demand and are considerably short of what markets would absorb. The decline in output of manufactured dairy products in the United States and Canada in the final quarter of 1945 made it difficult to meet requirements for liberated countries and deficit producing areas. This situation will continue well into 1946, as the seasonal upturn in supplies will come later than usual because of heavy demands for fluid milk and cream.

Output of milk and dairy products in western Europe is showing some improvement, but recovery is being retarded by current shortage of feed-stuffs. In the United Kingdom, for the final quarter of 1945, milk sales for liquid consumption reached 3,152 million pounds, compared to 3,024 million pounds in the same period of 1944. The quantity used for manufacturing was 106 million pounds, compared to 72.

Butter production in the final quarter of 1945 was at the lowest level for any of the principal dairy products, both in relation to output in 1944 and in prewar years. Production was especially low in the United States and Canada. In the principal Southern Hemisphere countries output was below last year and was adversely affected by drought in the Union of South Africa. In Argentina, continued diversion of milk to cheese-making caused butter production to remain below a year earlier. Output of butter in Australia in the first half (July-December) of the new season was about 1 percent below that of the same period a year earlier. Butter export gradings in New Zealand were about 1 percent less than a year earlier, with actual production down about 4 percent, as supplies going to United States armed forces were not included in export grading in earlier months of 1945 and in 1944. No purchases were made by the United States armed forces in the fourth quarter of 1945, and this freed quantities to go into export grading.

Butter production in Denmark and Switzerland showed increases of 10 and 12 percent, respectively, in the fourth quarter of 1945 over a year earlier. Further improvement is expected in 1946, with output likely to be about 75 percent of prewar in Denmark and 70 percent in Switzerland.

Cheese production in Canada dropped sharply in the final quarter of 1945, amounting to only 82 percent of the same period a year earlier. The only other marked change occurred in Argentina, where cheese output in the flush months of October-December jumped to 10 percent above the high output

for the same period a year earlier. Argentine production for the whole of 1945 was 12 percent above 1944 and better than 2-1/2 times the prewar output. Cheese production in Australia in the first 6 months of the 1945-46 season advanced about 4 percent over the same period a year earlier. In Italy quarterly figures of cheese production are not available, but reports show that 1945 output was 8 percent below 1944 and about 66 percent less than prewar levels.

Canned-milk production in the principal-producing countries showed a decline during the fourth quarter of 1945 with the drop being especially large in the United States, as condenseries found the fluid milk and cream markets more remunerative. Sharp declines occurred in Argentina and Switzerland, where milk is being used for other purposes.

Dried-milk production fell off during the fourth quarter in line with the decline in butter output and the increased utilization of milk in fluid form. Declines ranging from 10 to 13 percent below a year earlier occurred in the United States, Canada, and Argentina. Because of higher butter output in Switzerland, dried-milk production increased by 14 percent.

Current Conditions Abroad: Ottawa. On account of the continued diversion of milk to fluid consumption, butter output in Canada for the first 2 months of 1946 has declined 17 percent from a year earlier and cheese has dropped 32 percent.

Buenos Aires: Milk production in Argentina has been running below average for several months, although recent rains have improved grazing conditions. This should result in an improved fall output. The proportion of milk diverted to cheese continues at a record level, and prices are strong. The impact of European demand has driven casein prices above the equivalent of the United States ceiling price, and unsold supplies are short.

Wellington. New Zealand export gradings of butter in January 1946 were 13 percent below a year earlier and cheese was 4 percent less than in 1945. Dry weather continues in Auckland and Wellington Provinces, with rapid decrease in production.

Sydney. As of mid-February, conditions throughout the dairying districts of Australia were generally satisfactory. In the latter half of January good rains fell in all States except western Australia, and brought relief from the dry and hot conditions prevailing in most sections in December and the first half of January. More rain is needed, however, in central and south coast dairying districts of New South Wales. Total milk production for the period July through December was slightly below a year earlier, but the output of butter and cheese for the year ending June 30 is expected to compare favorably with previous year.

Habana. Pasture conditions in Cuba are now somewhat better than a year ago, and it is likely that 1946 will see an increase in output of dairy products for the first time since 1941.

Prepared by Floyd E. Davis and Regina Murray, based largely upon reports from foreign service officers in countries included in summary.

DAIRY PRODUCTS: Output in principal producing and exporting countries,
4th quarter (calendar) 1945, with comparisons

Country and product	Average 1934-1938	Total 1944	Total 1945	1945				4th quarter 1945
				1st quarter	2nd quarter	3rd quarter	4th quarter	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent
Butter a/								
United States	1,673,328 : b/	1,488,552 :	1,369,323 : b/	b/ 300,998 :	b/ 454,845 :	389,265 :	224,215 :	82
Germany	792,000 :	-	-	-	-	-	-	-
Australia	437,032 :	314,439 :	305,721 :	90,686 :	47,974 :	58,791 :	108,270 :	100
Denmark	400,660 :	283,952 :	291,667 :	50,705 :	81,790 :	90,609 :	68,563 :	110
New Zealand - total	366,049 :	318,649 :	-	112,553 :	41,221 :	-	-	-
Export gradings	314,753 :	252,537 :	276,047 : b/	94,192 :	32,460 :	35,253 :	114,142 :	99
Canada	248,119 :	298,777 :	293,541 : b/	36,673 :	b/ 97,405 :	b/ 110,747 :	48,716 :	91
Netherlands	201,000 :	-	-	-	-	-	-	-
Sweden	151,309 :	192,471 :	-	40,871 :	55,192 :	-	-	-
Fire	89,400 :	64,848 :	-	2,645 :	19,943 :	29,306 :	-	-
Argentina	65,742 :	104,694 :	95,972 :	30,714 :	24,187 :	b/ 13,926 :	27,145 :	95
Switzerland	62,170 :	39,596 :	39,947 :	6,063 :	12,103 :	12,941 :	8,840 :	112
Finland	61,287 :	-	-	-	-	-	-	-
Belgium	46,179 :	41,041 :	-	4,144 : b/	b/ 12,628 :	b/ 14,215 :	-	-
United Kingdom i/	44,200 :	22,400 :	-	1,500 :	10,200 :	-	-	-
Union of South Africa	27,725 :	38,600 :	-	12,682 :	9,638 :	6,433 :	-	-
Cheese j/								
United States	643,234 :	b/ 1,014,900 :	1 114,754 :	b/ 221,102 :	373,537 :	322,657 :	197,458 :	97
Italy k/	523,518 :	191,800 :	176,368 :	-	-	-	-	-
Netherlands	266,549 :	-	-	-	-	-	-	-
New Zealand - total	201,272 :	216,052 :	-	77,103 :	33,598 :	-	-	-
Export gradings	194,175 :	196,789 :	210,932 :	77,795 :	35,289 :	15,689 :	82,159 :	98
Canada	114,699 :	180,007 :	184,452 :	b/ 8,489 :	b/ 64,891 :	b/ 83,338 :	27,734 :	82
Switzerland	111,729 :	84,460 :	84,416 :	8,552 :	27,890 :	32,337 :	15,637 :	98
United Kingdom i/l/	109,000 :	40,300 :	-	2,300 :	17,000 :	-	-	-
Sweden	71,269 :	65,971 :	-	15,465 :	26,172 :	9,195 :	-	-
Denmark	68,820 :	85,979 :	-	-	-	-	-	-
Argentina	67,873 :	159,302 :	178,052 :	50,084 :	43,854 :	b/ 29,903 :	54,211 :	110
Australia	49,111 :	77,382 :	79,096 :	18,251 : b/	b/ 8,981 :	b/ 17,877 :	33,987 :	106
Union of South Africa	10,195 :	14,731 :	-	4,998 :	3,711 :	-	-	-

DAIRY PRODUCTS: Output in principal producing and exporting countries,
4th quarter (calendar) 1945, with comparisons

Country and product	Average 1934-1938	Total 1944	Total 1945	1945				4th quarter 1945	Percent
				1st quarter	2nd quarter	3rd quarter	4th quarter		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds		
Canned milk									
United States	2,469,535	4,508,460	5,116,253	877,208	1,085,994	1,777,046	1,459,344	793,869	90
United Kingdom 1/	378,560	247,000	-	9,800	48,900	137,600	-	-	-
Netherlands	304,896	-	-	-	-	-	-	-	-
Canada	92,377	b/	237,645	b/	38,558	b/	74,692	40,065	96
Denmark	40,785	-	-	-	-	-	-	-	-
Australia	38,867	100,747	-	39,558	25,170	12,223	b/	20,276	-
Cuba	32,564	29,621	24,165	8,487	2,997	3,433	b/	9,492	97
Argentina	-	11,226	7,497	3,311	2,134	1,544	b/	1,074	83
Switzerland	14,198	b/	11,897	1,903	1,560	4,432	-	1,095	58
New Zealand	11,273	18,241	-	7,530	5,921	2,635	-	2,802	-
Dried milk 2/									
United States	203,555	760,393	848,765	137,092	188,550	317,675	219,000	123,540	90
Netherlands	56,438	-	-	-	-	-	-	-	-
United Kingdom 1/	33,600	51,100	-	2,400	14,900	33,300	-	-	-
Canada	23,488	b/	50,276	b/	8,607	b/	16,072	7,610	89
New Zealand	17,429	27,388	-	11,694	9,115	3,706	-	-	-
Australia	16,971	45,981	-	18,246	10,093	7,739	10,939	-	-
Argentina	p/	9,592	11,150	4,098	4,290	2,114	1,165	3,581	87
Belgium	5,500	f/	-	-	-	-	-	-	-
Switzerland	2,381	8,238	7,007	1,078	860	2,832	2,083	1,232	114
Denmark	2,205	-	-	-	-	-	-	-	-

Office of Foreign Agricultural Relations. Compiled from official sources.

a/ Creamery butter. b/ Revised. c/ Production year beginning July. d/ Production year beginning April. e/ Production year beginning August. f/ Office estimate. g/ Total production of all butter amounted to 70,106,000 pounds in 1944. h/ Quarterly figures represent production of all butter. i/ 1944 and 1945 figures are unofficial estimates and are subject to revision. j/ Factory cheese. k/ Total cheese, and includes cheese made from milk of sheep and goats. l/ Includes farm cheese. m/ Less than a 5-year average. n/ Total dried whole milk and dried skim milk for human consumption. o/ For 1938 only. p/ Not available. Quantity small.